



State of Arizona
Department of Education

SCHOOL FINANCE MEMORANDUM 14-059

TO: Superintendents, Business Managers, Administrators, and Head Teachers

FROM: Lyle Friesen, Director of School Finance

DATE: July 15, 2014

SUBJECT: Instructional Improvement Fund

Pursuant to A.R.S 15-979, the Department of Education shall pay the monies in the Instructional Improvement Fund (Indian Gaming revenues) to school districts and charter schools.

The calculation for the second payment of FY 2014 is complete. This payment is based on actual IIF revenues received in the 3rd and 4th quarter of FY 2014 (\$18,677,278.26). Actual receipt of payment by districts and charters is scheduled for July 15, 2014.

Please view the county reports, which will show the district portions, at <http://www.azed.gov/finance/county-apportionment-reports/> or a detailed state-wide **FY 14 Instructional Improvement Fund Payment 2 Report** under "Hot Topics" at <http://www.azed.gov/finance/hot-topics>

All monies received for the Instructional Improvement Fund to date have been distributed based on each district's or charter's *unweighted* attending student count.

Pursuant to A.R.S. §15-979 (D) & (E), these funds may be expended as follows:

- D. Each school district and charter school may utilize up to fifty percent of the amount of monies determined pursuant to subsection C for teacher compensation increases and class size reduction as provided in section 15-977.
- E. Monies that are not utilized as provided in subsection D shall be utilized for the following maintenance and operation purposes:
 - 1. Dropout prevention programs.
 - 2. Instructional improvement programs including programs to develop minimum reading skills for students by the end of third grade.

During the first half of Fiscal Year 2015 we will be working with our IT department to replace the existing IIF system. It is expected that our 1st distribution of IIF revenues in FY 2105 will be made using our new IIF payment system.

If you have questions concerning your calculated payment, please contact Chelsea Jemison via email at Chelsea.Jemison@azed.gov or by phone at (602)542-8244.